GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1814
ANSWERED ON:05.12.2005
EXPANSION AND GROWTH OF FPI
Reddy Shri Karunakara G.

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether any time bound programme has been implemented by the Government for expansion and growth of food processing industry in the country;

(b) if so, the details thereof;

(c) whether the tax rates have been increased during the last two years to this industry for its expansion; and

(d) if so, the steps being taken by the Government to give tax relief to this industry for the expansion?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) to (d): Expansion and growth of FPI is an ongoing process. However, Government has implemented a scheme for technology upgradation / modernization/ expansion/establishment of food processing industries. Under the scheme financial assistance @ 25% of the project cost in general areas and @ 33.33% in difficult areas subject to a maximum of Rs. 50 lakh and Rs. 75 lakh respectively is provided for modernization / establishment of the food processing industries. Fruits & Vegetable products are already exempted from payment of excise duty. Recently in 2004-05, for giving boost to the FPI sector, the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. In the budget of 2005-06, excise duty of Re 1.00 per kg on refined edible oil and Rs. 1.25 per kg on Vanaspati was abolished and custom duty on refrigerated vans was reduced from 20% to 10%.